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Embracing the cloud

CLOUD SERVICES CREATE SMALL BUSINESS EDGE

In just a few short years, “the cloud” has transformed how organizations operate, offering a wide array of services that lower costs, boost efficiency, and enable business growth. This technology innovation isn’t exclusively for big business either, since Canada’s small businesses are rapidly adopting cloud services to help them gain a much-needed edge against deep-pocketed corporate rivals. Recent Leger research conducted on behalf of Primus Telecommunications shows that nearly half of Canadian entrepreneurs are already benefiting from the cloud, but many small businesses don’t yet understand the full spectrum of cloud-based possibilities. Without a solid understanding of cloud service benefits to a small business, or an understanding of the breadth of services available, business owners may be missing out on innovative services that could add real value for their business and customers.

SMALL BUSINESSES REAP THE BENEFITS

Although entrepreneurs often put technology investments aside, assuming they won’t see an immediate return, they can put those concerns to rest regarding the cloud. That’s the message that emerged from the recent Leger research conducted on behalf of Primus Telecommunications. The survey, *Embracing the Cloud: how cloud services give small business an edge*, provides a revealing snapshot of attitudes toward the cloud held by IT decision makers at Canadian businesses with fewer than 100 employees.

While the majority of Canada’s small businesses started using cloud services only within the past two years, a remarkable 94% report experiencing at least one improvement. The most frequently mentioned benefits are increased mobility, better flexibility for workers, and greater collaboration. An impressive 86% of survey respondents say their business processes have improved thanks to the cloud, and nearly half have seen unexpected positive business changes.

These businesses are feeling the positive impact of the cloud so quickly because, almost immediately, their managers find themselves

dealing with fewer issues than before. Soon after transitioning to a cloud service, they spend less time managing, deploying and maintaining their technology or telecom infrastructure.

Most significantly, cloud-enabled businesses discover how the flexibility of these services can enable business growth. For example, if a business requires greater systems capacity, cloud services can be easily scaled up to add more users to a network, more telephony tools for staff, or greater email server capacity to handle orders. These tasks represent recurring headaches for entrepreneurs who use traditional IT or telecom infrastructure, but are simple routines for cloud users.

The cloud can also alleviate the decision-making paralysis that small business owners sometimes experience when they must make technology choices today that won’t restrict their operational flexibility and growth down the road. With a cloud-based service, a business is able not only to make the right choice for its current needs, but also ensure that it can evolve in five months or five years without being limited by today’s decisions.

46%

of Canadian small businesses are using at least one cloud service

86%

of those using cloud-based services have improved business processes

94%

of current cloud users see at least one benefit

WHAT IS THE CLOUD?

Simply put, “the cloud” refers to software or services that run on the Internet rather than on a computer. Secure data storage, accounting software, human resources and customer management software, and telephone and other telecommunication services are just a few examples. Businesses can simplify their internal IT infrastructure and reduce IT costs. They can also meet their business continuity, growth, and scalability needs while enabling team collaboration, mobility, and flexible work practices.

HOW ARE SMALL BUSINESSES USING THE CLOUD ?

What are Canadian small businesses doing in the cloud, specifically? According to the Leger study, they are applying cloud services to a variety of essential business functions, such as employee communication and collaboration, sales and marketing, and customer and partner management, in order to access the same level of functionality and service as much larger companies.

Small businesses report that this democratization of technology is crucial, since they must meet ever-rising customer expectations for service on par with that of major corporations. Even a small business with no expansion plans beyond its home market now faces tough competition from aggressive global companies that want to dominate the smallest local markets. Cloud-based services empower small companies to compete head to head with these super-sized rivals.

FAST-GROWTH BUSINESSES JUMP ONTO THE CLOUD

No one can claim that Canadian entrepreneurs are late adopters of new technology. According to the Leger survey, just under half of small businesses (46%) in this country are already using at least one cloud-based application.

The heaviest cloud usage is among small businesses with 20 to 49 employees. These companies often encounter rapid change, since they are typically in the midst of their fastest growth phase. They have the same needs and quality-of-service expectations as those of companies with 1,000 employees, so they begin to seek more sophisticated IT and telecom options.

For these fast-growing companies, cloud services provide the right level of support without requiring large purchases of hardware or software. That means they can save their capital and direct it back into business growth.

HOW SMBS ARE USING THE CLOUD

55%

Employee communications & collaboration

38%

Sales/marketing/customer & partner management

36%

Telecommunications

27%

Finance & Accounting

26%

Human Resources & Payroll

DISCOVERING TELECOM IN THE CLOUD

Small businesses are also becoming enthusiastic users of cloud-based telecommunication services, ranging from straight-forward hosted phone systems (HPBX) to sophisticated call management and call centre functions. These companies are seeing how fully supported cloud telecom services can simplify their administrative and operational burden while reducing their costs.

These small businesses are also eager to access the same types of 'enterprise level' phone system functions and features as those used by blue chip companies. This helps them drive productivity, improve service delivery, and gain the flexibility to make changes as their business needs evolve.

Unfortunately, not all small businesses have heard about the benefits of cloud-based telecom services. The Leger research conducted on behalf of Primus

found that only 42% of small business respondents were familiar with accessing telecom services via the cloud. In addition, only 36% currently use cloud-based telecommunications services.

And, even those companies that are now using cloud-based telecom services may not be aware of more advanced tools they could easily adapt to their business. For example, a company might currently employ simple hosted phone services over the cloud but continue to rely on old-fashioned tactics for managing call volumes or call routing. Instead, it could quickly deploy sophisticated automated attendant or call centre software to improve its customer experience.

But word is spreading rapidly, and rising numbers of Canadian small businesses will undoubtedly soon discover the benefits of telecom services in the cloud.

SMALL BUSINESS MUST EXPLORE CLOUD POSSIBILITIES

So what's holding back the half of Canadian small businesses that haven't yet embraced the cloud? It's not lack of awareness so much as some haziness about cloud specifics – the tangible benefits and practicality of adopting more cloud services.

Although most small businesses in the Leger survey could identify key cloud-based services – such as storing back-up copies of files in case of a business disruption – fewer were familiar with services such as accessing business software or using cloud-based telecom services.

This limited perspective of the cloud is understandable. After all, cloud technologies can be complex to understand and it may be difficult to estimate the productivity

gains, cost savings, and other intangible benefits of replacing a company's current systems with cloud-based ones. Also, some small business owners may think they have a strong understanding of cloud functionality when their knowledge is in fact limited to a few high-profile cloud services or based on yesterday's news. As a result, they don't always realize how easily they could add more complex cloud functions.

Technology advisors encourage every small business – even those that already use some cloud services – to take a closer look at the latest services now available over the cloud. By examining the services they currently use, such as office phones, and considering how they could be delivered over the cloud, companies can boost business effectiveness and improve their bottom line.

ENTREPRENEURS KNOW IT IS CRUCIAL, BUT STRUGGLE TO DECIDE

It shouldn't be surprising that Canada's entrepreneurs are very tech-minded, based on the findings of the Leger study. Nearly three-quarters of survey participants say that IT infrastructure is a critical element of their overall business strategy.

The big challenge, however, is that the IT decision maker in a small business is often the owner or financial officer – someone who must wear more than one hat. While juggling many roles, these busy entrepreneurs may depend on big service providers, which typically cater to large companies and underserve the small business market.

Technology advisors are urging smaller companies to overcome this barrier by doing their own basic research – whether by reading online or by talking with small business peers –

to understand trends like cloud computing.

Being informed will help small companies see past the hard sell from most technology service providers to find real service partners – providers that can give them the right guidance and help identify the solution that works best for their business. The right technology service provider will be willing to meet, educate them about the technologies, and recommend a solution that truly matches their priorities.

Since small businesses are ready to embrace new technology solutions, it won't be long before more small companies recognize the potential value of adopting the cloud. By doing so, they can reduce their operational costs, simplify their technology and telecom issues, and gain a real edge on their big business competitors.

HOW CRITICAL IS IT INFRASTRUCTURE TO YOUR OVERALL BUSINESS STRATEGY?

73%
Critical

49% COULD GROW MORE WITH BETTER IT INFRASTRUCTURE

HOW FAMILIAR ARE YOU WITH CLOUD-BASED SERVICES?

58% 40%

Very familiar /Somewhat familiar

Not very familiar /Not familiar at all

HOW FAMILIAR ARE YOU WITH THESE CLOUD-BASED SERVICES?

74%

Storing back-up copies of business files and data

60%

Accessing business applications, software and tools on the cloud rather than installing them on internal computers or networks

72%

Storing data on the cloud to reduce physical business storage needs

42%

Accessing telecom services via the cloud

ABOUT THE SURVEY

Embracing the Cloud: how cloud services give small business an edge, was conducted on behalf of Primus Telecommunications by the Leger Intelligence Group.

The online survey of n=300 IT decision makers employed at Canadian small businesses (5–99 employees) was conducted using Leger's online panel, LegerWeb, between June 29 and July 5, 2015. A probability sample of the same size would yield a margin of error of +/-5.7% 19 times out of 20.

CONTACT PRIMUS

1-888-411-6073

ABOUT PRIMUS

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